

GUTS

The Seven Laws of Business That Made Chrysler the World's Hottest Car Company

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MAIN IDEA

In business, as in most of life's endeavors, you can't really separate the rational from the emotional, or the left-brain logical approach from the right-brain creative approach. At the end of the day, everything gets intertwined.

Business is all about serving the needs of people. And people don't act rationally all the time -- they are a mass of contradictions, paradoxes and emotions. Therefore, the key to prosperity lies in accepting your fate and making the most of it. In business, as in life, you might not always get exactly what you want, but often what you actually end up getting is what you actually need -- even if you're not prepared at admit it at the time.

Law #1 -- The customer isn't "always right". Page 2

If you try and design a product that attempts to please everyone, all you end up with is something bland that offends no one. You're far better off selecting a specific market segment and doing whatever it takes to enthrall those customers.

Law #2 -- The purpose of business is not solely to "make money". Page 2

Great products always generate great profits. But truly great products are never developed just to make money -- they're always derived from the applied enthusiasm and passion of the product champions within the organization creating something they'd love to buy themselves.

Law #3 -- Whatever everyone else is doing, don't! Page 3

Business management is fad driven. Therefore, whenever a new fad takes center stage, go in the opposite direction. Before long, you'll be praised for failing to fall into the same trap everyone else did.

Law #4 -- Too much quality can be a bad thing -- and taken to extremes may even ruin you. Page 3

Instead of slavishly attempting to cram more and more quality into your product or service, stop and analyze how your consumers evaluate quality. Then focus on giving them more of whatever enhances their experience with your product or service.

Law #5 -- Too many financial controls are counter productive. Page 4

The best financial controls hit a delicate balance. If they're too loose, chaos reigns. If they're too tight, the organization becomes paralyzed. You'll be able to tell when you get the balance right, however -- the whole organization will hum.

Law #6 -- Hire disruptive people -- they're an asset. Page 4

Always keep a few disruptive people around -- people who aren't prisoners of the existing way things are done. Their ability to throw the rule book away can allow you to arrive at some original and creative solutions you wouldn't get any other way.

Law #7 -- Teamwork Isn't Always Good Page 5

Harnessed properly, teams can achieve miracles. In the real world, however, more often than not teams produce teammanship rather than great products or services. Know when -- and when not -- to use teams.

Corollary #1 -- There are times when it's okay to be obsessed with details. Page 5

The growing trend of empowering employees to do more on their own initiative has to be balanced by an encouragement to pay greater attention to detail if anything of long-term value is to be achieved.

Corollary #2 -- A little bit of legitimate fear in business is really not that bad a thing to have. Page 6

Unless you're in a business situation where the fear of failure weighs heavy on your mind, you probably won't be able to extract your own "personal best" caliber performance. There are five fears worth having:

1. Forgetting just who the boss is.
2. Being over cautious.
3. Being too slow.
4. Mistaking "nice-to-have" for "must-have".
5. Forgetting to check occasionally for "reds-under-the-bed".

Corollary #3 -- Leadership is all about common sense which, in reality, isn't all that common. Page 7

True leadership is an uncommon mix of several key attributes and characteristics, including:

1. Flexibility.
2. Strong communication skills.
3. The ability to deal with the press effectively.
4. Courage and tenacity.
5. Humility and the common touch.
6. Integrity.
7. Fairness.
8. Optimism and Espirit de Corps.
9. Command presence and bearing.

Corollary #4 -- The Pros and Cons of Being a Change Agent Page 8

Change agents are disruptive -- they take an organization where it needs to go rather than where it chooses to go. Being a change agent can become either the most exhilarating or most frustrating period of your business career -- and frequently the journey will be a mixture of both. One thing is certain though. Change agents never generate neutral feelings. Even if the change is highly beneficial, the after-effects may flow on to the rest of your career.

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